1:Stanford U. S-4 5 1956 AF 15 East China
~~AF 15~~ AF15

## II. INTERNAL MIGRATION

166
464 The trend of migration toward expanding industrial centers is clearly observed in East China. Although many cities in Central-South China are being industrialized in the best and most rapid way the Communists know, in the East China Region there is more renovation of the already existing industries such as textile factories in Tsingtao (in Shantung Province) and Shanghai (Kiangsu Province). Toward these centers are moving many people and their families. Some had worked in the cities and had acquired some technical training, and now are returning to the reopened plants Although new industries in the Central-South and Southwest regions are only hiring new workers, the migration toward such cities as Shanghai has a somewhat different character -- and this may be described as a "two-way" migration. Shanghai, for example, had been the source of skilled labor before World War II during the short period of industrial boom in China. Now the Communist authorities are using places like Shanghai once again as training grounds for experienced labor. Whether this is economically sound or not is another question, but the fact remains that the Communists have been encouraging available manpower to move into town from the countryside. After a period these trained and semi-trained personnel are dispatched to new industrial centers in the southwest, northwest, and northeast. Not only workers are so encouraged, but labor organizers, union personnel, and other political activists are apprenticed in places like Shanghai before

166 assignment to the less industrialized localities
464 both inside and outside the region.

166 Relocation of industrial plants for expansion and
464 construction of sumptuous "cultural palaces" and
178 exhibition halls require a great amount of manpower in Shanghai; in China today human brawn continues to be employed instead of machines. (For the expansion of Shanghai, see chapter on Geographical Setting.) An even greater amount of manpower is mustered in order to keep in repair the dikes along the Huai River in Anhwei Province. The flood-control project on the Huai River began over five years ago, and in its initial stage 4.5 million people were employed.[11] The irrigation projects in northern Kiangsu need workers, the dredging of the Grand Canal needs workers. And when these projects are brought to a conclusion, there will be further development of the railway system, which suffered considerable damage during the war. There will be harbor construction projects, some of which were propoaed as early as Dr. Sun Yat-sen's administration and most of which have been featured in the Communists' blueprint for long-range reconstruction. Millions of people in this region will be kept busy moving from one project to another, and they will constitute one of the mainstreams of internal migration.

166 As has been mentioned in the foregoing paragraphs,
464 the movement of the people

11. Chih Huai [The Harnessing of the Hwai River] Shanghai, Hua-tung jen-min ch'u-pan-she, 1952; Hua-chiao Jih-pao [China Daily News], New York. Aug., 1955.

166 464 within this region is not and cannot be completely controlled by the government, no matter how authoritarian the latter may be. According to some anti-Communist sources, the employment situation in Shanghai is by no means completely under control. The unanswered question of Shanghai's unemployment as a factor disturbing to the Communist scheme of concentration of available labor for training in Shanghai's factories as well as similar factors will continue to disrupt this general pattern of internal migration. Anti-Communist sources also said that in the summer of 1955 the authorities in Shanghai had to resort to "persuasion" and possibly more drastic measures to return a part of the steady flow of workers to the countryside to resume farming. Additional trains were reported to have been scheduled daily to ship these "surplus" people from Shanghai.[12] If it were possible to substantiate these anti-Communist reports, which originate from Hong Kong then it would be possible to say that internal migration in the East China Region will remain a difficult problem for the present regime.

166 Recently Communist authorities have been enforcing the registration of the movement of population, including the movement of individuals from town to town. The general effects of this tightening of regulations seems to be a lessening of the flow of internal migration.

12. Asia Foundation News Bulletin, Aug. 12, 1955.

423 co-operatives.[38] But this new form of farm organization, which is directly opposed to the Chinese traditional practice, cannot be enforced too rapidly. After land reform, one pressure after another has been exerted by the Communist cadres upon the peasants (the fixing of production quotas, the collection of grain taxes, the compulsory purchase of grains, and participation in the agricultural producers' co-operatives), and many helpless peasants ran away in the hope of finding fewer restrictions in the cities.

166 According to Communist reports,[39] the population of Shanghai increased from 5,000,000 in January 1950 to over 7,000,000 by the end of April 1955. According to an investigation conducted by the Shanghai People's Municipal Government, about 50 per cent of the net increase of 2,000,000 population can be accounted for by exodus of peasants from rural areas.[40] The Back-to-the-Villages Campaign initiated by the municipal government in April 1955, is a clear indication of the seriousness of the problem. It is still doubtful if the problem can be solved by forcing the peasants to return to their villages if the conditions in the rural areas have not been improved.

---

38. Mao Tse-tung, Kuan-yü Chung-kuo Nung-yeh Ho-tso-hua Wen-ti [Agricultural Co-operativization of China], Hua-ch'iao Jih-pao [China Daily News], New York, Oct. 27-31, 1955.

39. Hsin-wen Jih-pao [Hsin-wen Daily News], Shanghai, August 10, 1955.

40. Liberation Daily, Shanghai, July 31, 1955.

1:Stanford U. S-4, 5 1956 AF15 East China
~~AF15~~ AF15

434 there were 6,010 primary grain markets in the East China Region.[45] After the establishment of state grain markets, all private wholesale or retail grain shops were either liquidated or "transformed" under state guidance. In Shanghai, since December 28, 1953, some 1,498 retail grain shops have been reorganized into agencies of the state grain markets.[46]

Due to flood and drought in 1953 and 1954, the actual production of grains was insufficient to meet local demands. The system of rationing is chaotic and has caused discontent among urban and rural people. In the rural districts, the implementation of the "San-ting" policy, i.e., the fixing of production, purchase, and supply quotas, results in great dissatisfaction among the peasants, who cannot fulfill the requirements set up by the Communist cadres. In numerous cases little grain was left to the producing farmer, who found it
434 impossible to feed himself and his family. The
● 166 mass exodus of peasants to the cities began early in 1953. It is estimated that from 800,000 to

45. China Weekly, Hong Kong, Jan. 10, 1955, No. 106, p. 38.

46. China Weekly, Hong Kong, April 12, 1954, pp. 12-14.

1:Stanford U. S-4, 5 1956 AF15 East China
~~AF15~~ AF15

434 1,000,000 peasants have migrated to the
166 Shanghai area since 1953 and further aggravated the urban rationing situation.[47] The Back-to-the-Villages Campaign began in the second half of 1955, and about one million people were sent back to the rural areas from Shanghai in order to lessen the burden of grain rationing in Shanghai and in order to increase agricultural production.[48] In the urban areas the per capita ration has been too small to maintain minimum living standards.

434 Many restrictions are imposed relating to the purchase and transportation of grains and other essential food items. In the early part of 1955, the Shanghai People's Government promulgated "Provisional Measures for Control of Outward Transport of Grains and Reprocessed Foods."[49] There are nine provisions in this new order and its essential points are: (1) grains, including miscellaneous grains, grains of oil-bearing crops, and uncooked foods processed from grains may not be smuggled from Shanghai; cooked foods and products such as bean curd totaling less than five catties (5.5 pounds) are allowed to be carried out for personal use; (2) upon approval

47. Chieh-fang Jih-pao [Liberation Daily], Shanghai, July 31, 1955.
48. Ibid.
49. Ibid., March 26, 1955.

2: Murphy G-4 (no date) 1953 AF15 East China AF15



ments, and extradition was possible only with the approval of the Shanghai Municipal Council (or the French Municipal Council for the French Settlement), which was not often granted. Police expenses accounted for 40 to 50 per cent of the annual budget of the Shanghai Municipal Council from 1855 to 1941, but even this remarkably heavy allotment did not achieve a rule of law and morality.

Shanghai was a place where two civilizations met and where neither prevailed. To the foreigners, it was out of bounds, beyond the knowledge or supervision of their own culture, where each man was a law unto himself, or where he easily adjusted to the prevailing *mores* with no qualms of conscience. Morality was irrelevant or meaningless in Shanghai, an atmosphere which was apparent to even the casual visitor. The fact that Shanghai was also a major port of call and naval station helped to prosper this attitude; sailors often formed a majority of the foreign population.* For the Chinese, Shanghai was equally off limits. Those who had chosen this new kind of life, like the merchants, were by that choice cut off from traditional China and from the sanctions which it imposed. Others who drifted to the city during famines or civil wars, or were kidnapped from the country as domestic servants, had by definition lost their family connections, which in traditional China was total physical and moral destitution. Small wonder that many of them turned to prostitution.

On top of this was the continually fluctuating population. Few people, Chinese or foreign, came to the city with the hope of remaining there long; most of them aimed to make a fortune in a few years and then to leave. Many of them did remain, but so did the frenzied atmosphere. The international, intercultural nature of the city added to its excitement. Foreign hotels found it necessary to advertise their ability to speak with patrons in English, French, German, and Russian as a minimum. Concerned missionaries and visiting judges contended with this tempting and stimulating situation in vain. It remained for the Communist administration of the city after 1949 to substitute their familiar order of austerity and

* The city gave its name to the practice of kidnapping men to work ships whose crews had found Shanghai's attractions too great. Both foreigners and Chinese were "Shanghaied" by roving gangs, often in search of coolie labor for East or West Indian plantations as well as of crews.

morality for the laxity and easy virtue which some Shanghai residents thought would prove a match even for the Peoples' Government.*

Another element which made life in Shanghai exciting, lawless, and profitable for the foreigners was the periodic flooding of the city by refugees from civil disorder in China. Shanghai was a tiny island of relative security at such times, where the presence of foreign consuls and troops and the quasi-independent status of the foreign settlements attracted large numbers of Chinese within its borders. The first great influx occurred at the time of the Taiping Rebellion (1850–1864), during which a local uprising of the Triad Society in 1853 and 1854 connected with the Rebellion virtually surrounded Shanghai, and even penetrated the Settlement until the troops were expelled by the foreigners. There were about 500 Chinese residents of the foreign settlements in 1852, 20,000 in 1854, and 500,000 in 1864.[9] Fortunes were made and lost in real estate and general speculation as the tide of refugees flowed and ebbed in response to the progress of hostilities in the Yangtze delta. Chinese capital from the hinterland also gravitated to the protection of the foreign settlements and added more fuel to the speculative blaze.

> Legitimate (sic) business of all kinds received a great stimulus upon the expulsion of the Triads from the city, and a period of feverish and well-nigh fatal speculation set in. The price of land inside the Settlement and even without went up to an enormous pitch as thousands of wealthy Chinese from all sides flocked into the place for the security it offered. . . Great tracts of land were hastily built over with cheap shanties by the foreign speculators, who reaped a golden harvest. . .[10]

Land within the Settlements which sold for an average of £50 an acre in 1852 sold for an average of £10,000 in 1862. In 1862, for the first time since it had been built, the race course, pride of the Settlement, was idle. The foreigners were too busy to hold the races, and in the next year the race course was sold for tenement construction for twenty times its original price.† [11]

* The *China Monthly Review* records in its issue for January 1952 (p. 96) that at the time of the Communist take-over in May 1949 there were 800 brothels in Shanghai, which by November 1951 had been reduced to 71. In the latter month these were closed, and the 500 inmates sent to a special reorientation and training school, in accordance with the pattern established earlier in north China.

† Part of the proceeds was used to buy a new tract for a race course farther out

2: Murphy G-4 (no date) 1953 AF15 East China AF15



from the agricultural villages . . . Economic reconstruction must have its foundation in the national economy. . . This abnormal development of the national economy could not be adapted to the defense needs of the state. . . The main communication routes were based on these easily blockaded cities . . . the imperialists could have strangled the country's economic life. . . The state could not protect itself and the people could barely exist. . .[5]

The Communist condemnation is even more specific:

Shanghai must break off its dependence on the imperialist economy and must be changed from a city where imperialism, compradores, and bureaucrats oppress and exploit the people to one which produces for the domestic market and serves the people. . . Shanghai is the concentrated, typical expression of the colonial or semi-colonial nature of old China's economy. Its so-called prosperity in the past was not founded on an independent, sound economic basis, but on bureaucratic capitalism and on imperialism and its compradores. Shanghai's production was mainly for the selfish interests of a handful of foreign exploiters and domestic compradores and bureaucrats. Most of Shanghai's key enterprises were in the hands of foreigners or Chinese bureaucratic capitalists. The raw materials and power of many industries had to depend on foreign supplies. Such colonial or semi-colonial economic status must be discarded before Shanghai can become a truly prosperous new peoples' city. . .[6]

The Communist armies took Shanghai on May 27, 1949, and in the following months plans were discussed for the relocation of some of Shanghai's manufacturing and population to inland centers where they would be less exposed to outside attack and where their economic activity would redound more generally to the welfare of the country as a whole. These plans were given additional impetus by the Nationalist blockade of the coast and by the United Nations embargo which has followed it, which at present writing appear to have curtailed industrial production in the city to a considerable extent. Writing in late August of 1949, the then mayor of Shanghai, General Chen Yi, stated that the official Communist program for Shanghai was to "change (its) industrial policy from that of dependence on imperialism to that of serving the Chinese people." In order to accomplish this end, and to minimize the effects of the blockade, "we must evacuate the population of the city systemati-

2: Murphy G-4 (no date) 1953 AF15 East China AF15



166
648
656

cally and transfer factories to the interior wherever possible."[7] While no details have been published on Communist plans for the relocation of Shanghai factories, this has been a recurrent theme in general policy statements. How much will be done about it remains to be seen, and may depend in large measure on how long the current trade restrictions remain effective. While such relocation might be dictated by non-economic considerations, it is the writer's opinion that it would economically be unwise, at least at the present stage of the Chinese economy as a whole.

But the foreign Shanghai which Nationalists and Communists alike have castigated is now a thing of the past. As much a Chinese as a foreign creation by at least the time of the first world war, the city has now become politically and economically an integral part of China. The course of Chinese nationalism and of the Westernization of the Chinese economy, both developments begun in and stimulated by the growth of Shanghai, have reclaimed the city.

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15



Sino-Japanese trade associations which were required to be formed for the purpose; no individual firm could make application for permits directly. Unit prices of power were increased by the Japanese-controlled, former American, Shanghai Power Company; coal, though controlled, was difficult to obtain at the official price and was very expensive on the black market. In consequence of all these factors many plants closed. Others still operated but on a reduced scale. Checks made by the Division in the Spring of 1942 indicated that only 55 per cent of former plants carried on, and these with only some 50 per cent of the former working force. Approximately 100 American- and British-owned plants, the most significant enterprises in the city with the exception of the textile mills, came under Japanese control. These were variously dealt with. Some continued operations fulfilling orders for military purposes. These included breweries, bakeries, cigarette plants and rubber shoe factories, as well as machine shops making subsidiary munition parts. Others produced goods for civilian use. Some were operated under direct Japanese control. Others continued to be operated by former foreign staffs under Japanese supervision and instruction.

Industry in Shanghai began to conform to the pattern laid down for it by the Asia Development Board, the instrument of the Japanese military forces of occupation in the economic field. A thorough survey of all plants employing 30 workers or more in the Settlement, of whatever national ownership, was completed by the Japanese Board by June 1942. Teams of experts went into all enterprises to examine the financial structure, the mechanical equipment, the production capacity, the raw materials and finished goods on hand. Thenceforth the Board determined which plants would operate and what goods they would produce.

The closure of so many plants created much unemployment. Many workers were induced by reduced fare concessions to return to the provinces. There were prolonged struggles on the part of discharged workers to obtain dismissal allowances adequate to finance their return home and to tide them over months in which they might try to adapt themselves to new means of livelihood. Only one month's earnings and a second month's to those who actually returned to the country, were, however, enunciated by the Japanese authorities as a standard, despite the efforts of the Division to secure a better arrangement.[1]

[1] [after December, 1941 -- Analyst]

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15



ment in urgent cases, and it brought the Settlement into line with municipal administrations elsewhere in that provision existed under which action could be taken.

It is obvious that an overcrowding such as has been described cannot mean adequate life for those who must submit to it. Tuberculosis incidence rose sharply in Shanghai in the years following 1937 when congestion was so great. Many virulent diseases such as smallpox, cholera, and in recent years typhus, are endemic and their spread, despite the prophylactic efforts of public health authorities in encouraging vaccination and inoculation, was obviously assisted by crowded conditions. Moreover, the chapter on food and nutrition will show a corollary of housing congestion, when even the kitchen in houses which are inhabited by many families is often sub-let, is that there are no proper facilities for cooking. Food therefore cooked in small foodshops or by itinerant vendors forms the basis of the meals of many families. Proper nutrition is impossible under such circumstances. Again, most alleyway houses have been built without sanitary accommodation. Every family must then have its wooden bucket in the room which is its only living room. Public toilets are insufficient for the people's needs and there is consequently frequent befouling of the alleyways. The wonder is that under such housing there exists in Shanghai a self-respecting fine population, maintaining a personal cleanliness almost incredible to believe in the ruling circumstances. For them surely a better housing opportunity must be presented after hostilities have ended.

THE SHANGHAI OF THE future will not be the divided authority it has been in the past. The two former foreign-administered areas will presumably come under the general authority of the Chinese City Government following the retrocession of the Settlement to Chinese administration by Great Britain and the United States. The development of proper transportation systems connecting the Settlement and Concession with the surrounding areas previously under the City Government must be an early consideration. They will open up areas for residence unavailable till the present because of their inaccessibility by cheap means of transport. The Shanghai of the future will, too, it is hoped, be planned on modern lines, where adequate authority will permit proper controls over

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15

# CHAPTER XI

## SOME SPECIAL SOCIAL PROBLEMS

ENOUGH HAS BEEN SAID of the housing congestion in normal times and of the great overcrowding arising from hostilities to indicate that Shanghai, despite its normal extensive industry and commerce, must contain many more persons than can find employment. There is a permanent problem of destitution, aggravated at some periods, slightly less perhaps at others, but always there. To the low-waged worker in Shanghai must be added the army of chronically unemployed and completely unemployable.

Recent studies of Shanghai dwell at length on the refugee problem following the outbreak of hostilities in 1937.[1] After five years, a hard core of refugees remained, despite consistent efforts in the spring months of 1939 and 1940 to disperse aggregations of those in "refugee camps." The Shanghai Refugee Relief Association, which was organised in 1938 to take over work formerly handled by the Shanghai International Red Cross Committee, continued till the middle of 1942 to collect and disburse funds for the support of approximately 15,000 refugees, a residue of old, young, invalid and unemployable.

In addition to those cared for in camps, hundreds of destitute persons roamed the streets after 1937, miserably clad, often in the final stages of exhaustion. The numbers increased considerably after December 1941. These aggravated Shanghai's permanent beggar problem. Begging is endemic in many Oriental countries. Especially at festival times in the vicinity of temples the lame, the halt, the sick and the blind display themselves to the pious who make pilgrimages, relying on pity and the belief that it is an act of virtue to dispense alms. Whether caused by hunger and want or engaged in as a chosen profession, begging is chronic.

Toward the end of 1940 the Shanghai Municipal Council, the Salvation Army and the Shanghai Rotary Club attempted to deal

[1] See particularly R. W. Barnett, *Economic Shanghai: Hostage to Politics*, Institute of Pacific Relations, New York, 1941.

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15



constructively with the problem by establishing a special camp for beggars. The police removed from the streets those found begging, men, women and children, and handed them over to the Salvation Army for care. Huts were erected on land made available by the Council, and the scheme was inaugurated in January 1941. To defray expenses of building the camp, the Council allocated funds from the voluntary entertainment levy which had been collected during the post-hostility period and handed over in part to the Shanghai Refugee Relief Association for disbursement among organisations caring for refugees.

IN GENERAL, as mentioned before, the Council took the view that it was not able to provide "poor relief." Its revenues from taxation were limited because its powers of taxation were restricted. No poor law rate could be levied. It was argued that in a city to which (because of the comparatively safe areas and the lure of possible employment) thousands had drifted in past decades from nearby densely populated provinces, to have embarked on poor relief would have been to encourage the arrival of many more destitute persons. In general, relief was left to private charitable organisations, both Chinese and foreign.

Nevertheless, the Council contributed to relief by presenting grants-in-aid to hospitals and institutions caring for the destitute. In particular, as we have seen, it made contributions to child welfare institutions to care for the young people whom police removed from the streets and otherwise found in need, and who very often were without relatives or friends.

Much is made in certain studies of Shanghai of the "exposed corpse" situation. Figures of unwanted corpses picked up on the streets did not, however, represent necessarily deaths from starvation and exposure only.[2] There were indeed many such cases, but there were also many others where the family of the deceased lacked funds for a coffin and other funeral expenses. Then it was to a Chinese benevolent burial society that the family looked. In such cases the corpse was placed where it would be collected and

[2] Barnett, *op. cit.*, p. 46, reports that in the International Settlement alone over 100,000 exposed corpses were disposed of in 1938. In 1939 the figure was 72,000. The numbers in 1942 must have been very high. There were certain places in the city where those dying of disease and starvation dragged themselves, to die with their fellows.